| COMPARISON RECLAMATION AND M&I CONTRACTORS POSITIONS | | |
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| M&I Contractors Comment | M&I Contractor's Proposed Change | |
| 1. Non-CVP Supplies | | |
| 1.a. Policy is not clear on the amount of adjustment for non-CVP supplies. Will contractor receive a one for one credit? | Need to state it is a one for one credit in policy. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 1.b. Policy states for a contractor to receive a credit for use of non-CVP water, such use must benefit CVP as a whole. What does benefit CVP as a whole mean. Seems impossible. | Recommend this provision be deleted. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno, San Juan Water District, City of Roseville, City of Folsom, Plain View Water District |
| 1.c. Policy requires Reclamation approve crediting of an amount of use of non-CVP water in advance of such use counting towards the adjusted historical use. Getting approval in advance is unacceptable and a burden to Contractor. Needs streamlining. | Upon Contractor's request, but no more than once each Year, Reclamation will consult with the contractor to adjust of the contractor's historical use. Such updating would include extraordinary conservation measures and relevant criteria. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno, Plain View Water District |
| 1.d. If the year used to determine "historical use " predates the adoption and implementation of the Policy, presume Reclamation will provide an after-the fact approval for use of non-CVP water during the baseline year as credit for use of CVP water. | Clarify this paragraph. | San Juan Water District, City of Roseville, and City of Folsom |
| 1.e. Contra Costa's contract includes the following water for the purpose of calculating historical use; CVP water and non-CVP water pumped by CCWD under its Mallard Slough water rights, by the City of Antioch under its pre-1914 water rights, and by Gaylord Container under its appropriative rights. Addition optional sources that offset CVP supplies include well water, river water for industries (Southern Delta Energy, Dow, USS/POSCO), water purchased by CCWD from ECCID, and recycled water. | | |

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| 2. Historical Use and Adjustments | | |
| 2.a. Policy definition for historical use is unduly restrictive because it ignores what may be higher historical deliveries in favor of what would be a perfect hydrological year. | Calculate contractor's base historical use based on average quantity of water beneficially used in its service area during last three years of water deliveries not affected by water shortages (same as CCWD's 1994 amended contract). Agree to base historical use to during contractor negotiations and set forth in a contract exhibit to be modified as necessary. Needs a more streamlined process. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 2.b. Policy assigns M&I contractors a wet year use for a dry year (the year in which the policy would come into play). | Base on dry year demand. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 2.c. Contra Costa's current contract calls for allocations of not less than 85% of historical use (except in extreme droughts when the allocation can go to 75% of historical use). | Does Contra Costa's current contract definition work for determining historical use in principle? This is "the average amount of water put to beneficial use during the last three years unaffected by drought shortage adjusted for growth. | CCWD |
| 2.d. Contra Costa's contract defines historic use as the average amount of "water" put to beneficial use during the last three years unaffected by drought shortage, adjusted for growth. | | |
| 3. Needs Analysis | | |
| 3.a. It is unclear why the CVP Analysis of Need for M&I Water Table attached to the policy. | Delete table from policy. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 3.b. The M&I Needs Table purports to deal with a CVP-wide analysis, but the Friant contractors are not included. | A. Include the Friant Contractors in the table.B. Do not include Friant Contractors because it is not applicable | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno, Friant Contractors |
| 3.c. The M&I Needs Table does not have any information for Tuolumne Utilities District. | The M&I Needs Table should include Tuolumne Utilities District for 9,000 acre-feet of M&I water. | Tuolumne Utilities District |
| 3.d. CVP needs analysis for Plain View has been modified incorrectly. Plain View does not intend to transfer water to the City of Tracy, but will be providing water to new developments occurring within its boundaries. | Meet with Plain View to resolve the outstanding issues regarding its future use. | Plain View Water District |

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| 4. Health and Safety | | |
| Policy provides Reclamation discretion to apportion shortage if M&I contractors are reduced to 75% and irrigation contractors to below 25%. Separately, M&I contractors are only entitled to deliveries to address our health and safety needs when Governor declares a water emergency. The concepts of deliveries below 75% and health and safety needs have been severed. Reclamation could significantly reduce deliveries to M&I contractors and the Governor has not declared an emergency. | The M&I contractors do not believe there should be a trigger for public health and safety. There should be an omnipresent floor that ensures that the contractor will always receive at least health and safety levels. This should be determined by the district. Public health and safety should be a commitment of Reclamation in all years regardless type of water year. It should not be contingent on the Governor declaring an emergency. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 5. Standards for Health and Safety | | |
| Reclamation must provide for consultation between the contractor and Reclamation to determine the health and safety level. Contractor should determine appropriate health and safety level in light of unique circumstances within its service area. Contractor has expertise of local conditions, Reclamation insures consistency plan to plan. | Propose when available water supply is reduced so that the contractor approaches a water shortage emergency, before the contractor declares an emergency and sets a minimum health and safety level, contractor will consult with Reclamation and review criteria of similarly situated California M&I entities. Reclamation will endeavor to provide additional deliveries beyond those necessary for public health and safety when available. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 6. Extraordinary Conservation Measure | s | |
| Vesting in Reclamation the authority to recognize extraordinary conservation measures, where Reclamation has unrestrained discretion in "determining: what is a measure," is not adequate. Need an objective standard developed for determining extraordinary conservation. | M&I contractors want an independent standard to determine whether a measure is extraordinary. Suggest it be measured against the then current Best Management Practices (BMPs) developed by the California Urban Water Conservation Council. Any measures in excess of the BMPs will be considered extraordinary. Reclamation will have flexibility and contractors will have reliability and certainty. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno Plain View Water District |

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| 7. Definition of Shortage | | |
| Definition of shortage in the policy differs from definition in Article 12 of the draft contracts. | Use definition of shortage in the draft contracts | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 8. Forecasting of Shortage | | |
| 8.a. Based on early forecasts of reduced supplies to M&I contractors may result in drought hearings and imposition of water use restrictions on customers when precipitation eliminates the need for such measures. | Reclamation could agree not to reduce water supply to M&I contractors below 90% of the adjusted historical use until the 90% and 50% exceedance forecasts converge in April. The shortages for M&I contractors become effective June 15. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 8.b. M&I contractors concerned about learning later in the year that water use restrictions are needed and having to impose more stringent restrictions because the reduced allocation is based on a percentage of a full years deliveries. | Reclamation could agree to reduce availability of water to M& contractors in periods of shortage solely on a prospective basis rather than retroactive to the beginning of a contract year, and to further limit the shortages at the beginning of a drought period. | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 9. 1994 Date Limiting Applicability of R | eliability | |
| 9.a. Policy applies only to the portion of the CVP water identified as projected M&I demand as of September 30, 1994, shown for 2030 in 1996 ratesetting books. It is unacceptable to limit reliability for M&I uses based on an arbitrary date, not required by statute, contracts, or regulation, was poorly noticed, after the | Urge policy provide for future conversion of irrigation water to M&I water on a practicable basis. What is meant by mitigation for conversion? | San Benito County Water District, Placer County Water Agency |
| fact. Conversion from irrigation to M&I purposes was expected to occur as needed. Policy eliminates such conversion. CVP water is important for ability to meet NEW M&I uses. | Analyze the alternatives concerning other possible shortage policies. How they would affect the reliability of water for CVP irrigation, urban development, the environment, etc. | |
| 9.b. Discriminates against water districts that were predominately agricultural but now face dramatic increases in M&I demands. Provides no rational distinction why based on whether the conversion was before or after 1994. | Treat existing and future M&I contractors equally. | Plain View Water District |

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| Suggested a policy which uses a portion of the refuge water, of the 800,000 acre-feet of b-2 water and of the b-1 water to address hardship faced by homeowners whose homes were built in reliance on M&I water converted after September 30, 1994. District cannot avoid problem by refusing approval of new development because legally district is a water purveyor and has no choice when asked to issue a can-and-will serve letter but to issue the letter if water is available. Bill requires district to show how it will make available. Believe if district declines, new special purpose districts will be formed within the boundaries of the District and it will issue can and will serve letters based on invalid assumptions. Reclamation must find another solution that does not damage agriculture but allows San Luis to approve new residential development as they have | | |
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| Establish operational constraints that might lead to different water allocations | Plain View Water District | |
| tors | L | |
| Redraft policy so it does not impair irrigation purposes of the CVP except to meet health and safety needs of our urban areas in times of extreme drought. Seriously oppose any policy that would further impair efficiency of the CVP for irrigation purposes or reduce deliveries to agricultural contractors. Provide equal footing between irrigation and M&I uses except if water is needed to meet M&I public health and safety demands during extreme droughts. M&I contractors can pursue other water | Del Puerto Water District | |
| | Suggested a policy which uses a portion of the refuge water, of the 800,000 acre-feet of b-2 water and of the b-1 water to address hardship faced by homeowners whose homes were built in reliance on M&I water converted after September 30, 1994. District cannot avoid problem by refusing approval of new development because legally district is a water purveyor and has no choice when asked to issue a can-and-will serve letter but to issue the letter if water is available. Bill requires district to show how it will make available. Believe if district declines, new special purpose districts will be formed within the boundaries of the District and it will issue can and will serve letters based on invalid assumptions. Reclamation must find another solution that does not damage agriculture but allows San Luis to approve new residential development as they have been. different allocations Establish operational constraints that might lead to different water allocations being made. tors Redraft policy so it does not impair irrigation purposes of the CVP except to meet health and safety needs of our urban areas in times of extreme drought. Seriously oppose any policy that would further impair efficiency of the CVP for irrigation purposes or reduce deliveries to agricultural contractors. Provide equal footing between irrigation and M&I uses except if water is needed to meet M&I public health and safety demands during extreme droughts. | |

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| 12. Language Changes | | |
| 12.a. Page 1, 3 rd paragraph, 4 th sentence. States that historical use is "limited however by the M&I contractor's contractual water entitlement" is incorrect. Limitation on which the 75% reliability is based is the quantity identified in terms and conditions #3. | 12.c. Page 1, third paragraph, 4 th sentence: replace the words "contractual entitlement" with the words "#3 of the policy terms and conditions." | Charles Marshall, MP-440 |
| 12.b. Page 1, 3 rd paragraph, 5 th sentence. Substitute "up to the amount of" for the phrase "limited however by." | | San Juan Water District, City of Roseville, and City of Folsom |
| 12.c. Page 2, 2 nd paragraph, end. Insert "as implemented in the contractor's CVP contract." | | San Juan Water District, City of Roseville, and City of Folsom |
| 12.d. Page 2, fifth paragraph, first sentence. Insert the word, "by" after the words "will be reduced." | | San Juan Water District, City of Roseville, and City of Folsom |
| 12.e. Page 2, fourth line, second word. Replace the word "would" with the word "will." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.f. Page 3, second line, fourth and fifth words. Words "and actual" should be deleted because we are speaking of future projected deliveries in this second half of the sentence | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.g. Page 3, third line. Reverse the words "and" and "generally." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.h. Paragraph 3, fourth line. Insert a comma after the word "Thus." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.i. Paragraph 3, second from the last sentence. Should be made into a parenthetical | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |

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| 12.j. Paragraph 1 and throughout policy. The policy is clearer than previous drafts by distinguishing between "historical use" and "adjusted historical use." However, a further clarification could be made by instead of distinguishing between "base historical use" and "adjusted historical use." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.k. Paragraph 1, third line. A clarification is required because the language used speaks of [adjusted] historical use of CVP water. This is an improper limiter because the formula for non-CVP supplies permits non-CVP water to be included in the calculation for the adjusted historical use. | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.I. Paragraph 4 (policy). The policy uses the term "contract entitlement." It should use the term "contract total" instead. This is the term used in the south-of-the-Delta contracts. | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.m. Paragraph 4 (policy), fourth line. Insert the word "by" after the word "reduced." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.n. Tables 1 and 2 (policy). The headers should read "irrigation contract allocations" and "M&I contract allocation." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.o. Paragraph 6 (policy), second line. Replace the phrase "will need to" with "may." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.p. Paragraph 7 (policy), second to the last sentence. Move the sentence dealing with Reclamation's goal of providing health and safety levels for traditional irrigation deliveries into its own new paragraph. The concepts contained in the sentence have nothing to do with the M&I contractors being discussed in paragraph 7, and the inclusion of that sentence only adds confusion. | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |

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| 12.q. Paragraph a. Definition of historical use. Replace the phrase "the term historical use shall mean" with "the basis for determining the base historical use shall be." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.r. Paragraph c. Definition of extraordinary water conservation measures. Immediately following the last sentence, insert the phrase "For example,." | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |
| 12.s. Suggest the inclusion of the following definition for non-CVP water supplies, "Non-CVP Supply shall include all water used from any source other than CVP water to satisfy M&I customer demand within Contractor's service area. | | Contra Costa Water District, East Bay Municipal Utility District, Santa Clara Valley Water District, Sacramento Municipal Utility District, City of Fresno |